

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## HOUSE ENROLLED ACT No. 1257

AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 5-1.4-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. "Qualified entity" means the following:

- (1) A city.
- (2) A county.
- (3) A special taxing district located wholly within a county.
- (4) Any entity whose tax levies are subject to review and modification by a city-county legislative body under IC 36-3-6-9.
- (5) A political subdivision (as defined in IC 36-1-2-13) that is located wholly within a county:
  - (A) that has a population of:
    - (i) more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or
    - (ii) more than two hundred thousand (200,000) but less than three hundred thousand (300,000); or
  - (B) containing a city that:
    - (i) is described in section 5(3) of this chapter; and
    - (ii) has a public improvement bond bank under this article.
- (6) **A charter school established under IC 20-5.5 that is sponsored by the executive of a consolidated city.**
- (7) Any authority created under IC 36 that leases land or facilities to any qualified entity listed in subdivisions (1) through ~~(5)~~: **(6).**



SECTION 2. IC 5-1.5-1-8, AS AMENDED BY P.L.132-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. "Qualified entity" means:

- (1) a political subdivision (as defined in IC 36-1-2-13);
- (2) a state educational institution (as defined in IC 20-12-0.5-1(b));
- (3) a leasing body (as defined in IC 5-1-1-1(a));
- (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- (5) any rural electric membership corporation organized under IC 8-1-13;
- (6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;
- (7) any telephone cooperative corporation formed under IC 8-1-17;
- (8) any commission, authority, or authorized body of any qualified entity;
- (9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;
- (10) any commission, authority, or instrumentality of the state; ~~or~~
- (11) any other participant (as defined in IC 13-11-2-151.1); ~~or~~
- (12) a charter school established under IC 20-5.5 that is not a qualified entity under IC 5-1.4-1-10.**

SECTION 3. IC 6-1.1-10-16.7, AS AMENDED BY SEA 216-2002, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 16.7. **All or part of** real property is exempt from property taxation if:

- (1) the improvements on the real property were constructed, rehabilitated, or acquired for the purpose of providing housing to income eligible persons under the federal low income housing tax credit program under 26 U.S.C. 42;
- (2) the real property is subject to an extended use agreement under 26 U.S.C. 42 as administered by the Indiana housing finance authority; and
- (3) the owner of the property has entered into an agreement to make payments in lieu of taxes under IC 36-1-8-14.2, IC 36-2-6-22, or IC 36-3-2-11.

SECTION 4. IC 36-3-2-11, AS AMENDED BY P.L.186-2001, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. (a) As used in this section, the following terms have the meanings set forth in IC 6-1.1-1:



- (1) Assessed value.
- (2) Exemption.
- (3) Owner.
- (4) Person.
- (5) Property taxation.
- (6) Real property.
- (7) Township assessor.

(b) As used in this section, "PILOTS" means payments in lieu of taxes.

(c) As used in this section, "property owner" means the owner of real property described in IC 6-1.1-10-16.7 that is located in a county

~~(1) with a consolidated city. or~~

~~(2) having a population of more than thirty-eight thousand five hundred (38,500) but less than thirty-nine thousand (39,000).~~

(d) Subject to the approval of a property owner, the legislative body of the consolidated city may adopt an ordinance to require the property owner to pay PILOTS at times set forth in the ordinance with respect to real property that is subject to an exemption under IC 6-1.1-10-16.7. The ordinance remains in full force and effect until repealed or modified by the legislative body, subject to the approval of the property owner.

(e) The PILOTS must be calculated so that the PILOTS are in an amount **that is:**

**(1) agreed upon by the property owner and the legislative body of the consolidated city;**

**(2) a percentage of the property taxes that would have been levied by the legislative body for the consolidated city and the county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation; and**

**(3) ~~equal to~~ not more than** the amount of property taxes that would have been levied by the legislative body for the consolidated city and county upon the real property described in subsection (d) if the property were not subject to an exemption from property taxation.

(f) PILOTS shall be imposed as are property taxes and shall be based on the assessed value of the real property described in subsection (d). The township assessors shall assess the real property described in subsection (d) as though the property were not subject to an exemption.

(g) PILOTS collected under this section shall be deposited in the housing trust fund established under IC 36-7-15.1-35.5 and used for any purpose for which the housing trust fund may be used.



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(h) PILOTS shall be due as set forth in the ordinance and bear interest, if unpaid, as in the case of other taxes on property. PILOTS shall be treated in the same manner as taxes for purposes of all procedural and substantive provisions of law.

**SECTION 5. [EFFECTIVE JULY 1, 2002] IC 36-3-2-11, as amended by this act, applies to PILOTS first due and payable after December 31, 2002.**

**SECTION 6. An emergency is declared for this act.**

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Speaker of the House of Representatives

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President of the Senate

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President Pro Tempore

Approved: \_\_\_\_\_

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Governor of the State of Indiana

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